

BOARD RETREAT DECEMBER 6, 2021

The Accountancy Board of Ohio (Board) held its Retreat on December 6, 2021, in Room 1924 on the 19th floor of the Vern Riffe Center for Government and the Arts 77 South High Street and a live stream via Microsoft Teams.

ATTENDANCE

The following were present in person:

Board Members

Kenya Y. Watts, CPA, Chair
Gerald P. Weinstein, CPA, Vice-Chair
Brendan P. Fitzgerald, CPA, Secretary
Margaret Gilmore, CPA, Immediate Past-Chair
John E. Soucie, CPA, Member
Richard (Scott) Blake, Public Member (late arrival)
Louise A. Jackson, CPA, Member
Megan E. Durst, CPA, Member

Board Staff:

John E. Patterson, Executive Director
Tracey F. Fithen, Assistant Executive Director
Donna M. Oklok, Investigations Supervisor

Guests:

Laura Hay, Executive Vice President, Ohio Society of Certified Public Accountants (OSCPA)
Barbara Benton, Vice President- Government Relations, OSCP
Lori Kaiser, Board Chair, OSCP

CALL TO ORDER

Ms. Watts called the meeting to order at 1:06 p.m. and welcomed the guests in the audience.

PRESENTATIONS

Ms. Watts invited Ms. Lori Kaiser, board chair of the Ohio Society of CPAs, to introduce herself. Ms. Kaiser did so and outlined the OSCP Board goals regarding promotion of the CPA profession.

Ms. Watts thanked Ms. Kaiser and asked each of the Board members present to introduce themselves.

2022 RULE REVIEW

Mr. Patterson gave an overview of upcoming rule revisions for 2022. He stated that the proposed revisions to increase firm licensing fees and number of accounting credits needed for certification are likely to receive pushback as they deal with increased financial and regulatory impact on stakeholders. However, Mr. Patterson stated the increases are necessary to cover budgetary costs of payroll, eLicense administration, and rent, which have increased while fees have not. A statutory increase in license fees will be necessary within the next biennium. Ms. Fithen answered questions about the budget and Ms. Oklok answered questions about how much revenue would be generated by the firm fee increase, and discussed the amounts being requested by the rule revision.

Ms. Oklok presented a proposed rule change to the Board communications rule, which would require licensees and firms to report administrative discipline, criminal convictions, and/or civil actions against them within thirty days of their finalization. At this time, there is no requirement to report other than at the time of individual license renewal, and if the person fails to renew, they are not bound to report infractions in these areas. Mr. Fitzgerald asked if this change adds an enhancement to disciplinary actions charged to a licensee or firm and Ms. Oklok confirmed that is the case; the intent is to encourage voluntary compliance in this area. The Board discussed the rule language and suggested changes to the wording, which Ms. Oklok confirmed the changes would be made and distributed prior to the next day's meeting.

A rule change to increase firm registration fees was discussed to generate additional funds to cover costs of license administration. Ms. Oklok presented a rule revision that would increase fees for firm initial registration fees and renewal fees based on the number of CPAs employed at the firm. Currently, the cost to register a firm is ten dollars and to renew, thirty dollars. The revised rule would increase fees to at least thirty dollars for initial registration, and at least ninety dollars for a firm registration renewal. Board discussion centered around the amount of revenue to be raised; Ms. Oklok stated the estimated amount would add an additional \$220,000 to offset eLicense costs over the next biennium. Ms. Fithen noted costs for eLicense have risen dramatically due to the medical board exiting the system, passing the costs to the remaining boards. The per-record fee has increased too, she stated; and data cleanup is unlikely to reduce those costs substantially. The Board also discussed the impact of digitizing paper records and other potential means of reducing rent costs. The Board agreed to review this rule pending approval for stakeholder review at the December 7, 2021 meeting.

The Board then addressed a proposed rule change to require a total of thirty semester credits in accounting for initial licensure as an Ohio CPA candidate. This requirement would place Ohio's education requirements in line with substantial equivalency requirements of other jurisdictions. Ms. Oklok posed a topic for discussion regarding permitting data analytics courses to qualify to meet the thirty-credit requirement and the Board discussed. Ms. Hay and Ms. Watts noted more general requirements are preferable, and Mr. Weinstein stated his opinion that all thirty credits need to be specific to the accounting department. Ms. Oklok noted a simple statement in the rule revision would be added for the Board's consideration and approval.

Finally, Ms. Oklok presented a proposal to charge a processing fee of twenty-five dollars for license verifications and letters of good standing. This will help cover the cost of processing these documents and the proposed fee is in line with what most states charge for the same service. The Board agreed to add this fee.

Ms. Fithen asked the Board to review the 2022 meeting dates. Ms. Watts noted that the NASBA Executive Directors meeting would conflict with the April 29 meeting date, and Ms. Fithen corrected the date to April 22. No other conflicts were noted.

At 3:22 p.m., Mr. Weinstein made a motion to enter executive session for the purpose of discussing the employment of a public employee. Mr. Soucie seconded the motion and the motion carried 8-0 on a voice vote. The Board returned from this session at 3:52 p.m. and the meeting adjourned at 3:55 p.m.

Accountancy Board of Ohio
State of Ohio
Public Meeting Minutes of December 7, 2021
Room 1932, 19th Floor Vern Riffe Center
77 S. High St, Ohio 43215

ATTENDANCE

The Accountancy Board of Ohio (Board) met in person and a live stream via Microsoft Teams. The following were present in person:

Board Members:

Kenya Y. Watts, CPA, Chair
Gerald P. Weinstein, CPA, Vice-Chair
Brendan P. Fitzgerald, CPA, Secretary
Margaret Gilmore, CPA, Immediate Past-Chair
John E. Soucie, CPA, Member
Richard (Scott) Blake, Public Member
Louise A. Jackson, CPA, Member
Megan E. Durst, CPA, Member

Board Staff:

John E. Patterson, Executive Director
Tracey F. Fithen, Assistant Executive Director
Donna M. Oklok, Investigations Supervisor
Sarah J. Sarnowski, Investigator

Guests:

Ken Bishop, CEO NASBA
W. Michael Fritz, CPA, NASBA Chair
Thomas Kenny, Chief Communications Officer, NASBA
Bob Fay, CPA, Past Board Chair, ACAP
Laura Hay, Executive Vice President, OSCPA
Barbara Benton, Vice President- Government Relations, OSCPA
Lori Brown, Director of Partnership Development, OSCPA
Michael Guinigundo, CPA, Past Board Chair

CALL TO ORDER

Ms. Watts noted a quorum was present and at 9:03 a.m., called the meeting to order and welcomed the guests in the audience.

PRESENTATIONS

NASBA

Michael Fritz highlighted the efforts of the Board and thanked them for their work. He stated that NASBA was continuing to push for diversity in the profession.

Ken Bishop talked about the challenges of the COVID-19 pandemic, how NASBA has adapted, and will continue to adapt. Mr. Bishop then discussed the size, cost, and technical aspects of CPA Evolution. He explained that NASBA is seeking to make this platform more flexible for future changes to the exam.

Mr. Bishop talked about the technical debt of NASBA and the efforts to reduce that over the coming years. He explained that cybersecurity was going to be a top focus going forward for NASBA. He explained the success that the organization has had by going to hybrid and remote workplaces. For future conferences, he explained that NASBA was working to make them happen in person and safely for 2022.

Mr. Bishop discussed the efforts to enhance reach out to candidates who have not completed the CPA exam after registering or even completing some portions of the exam. He explained that they were working with AICPA to increase the number of exam applications.

Mr. Bishop closed his presentation with a discussion of how NASBA is working to increase diversity in the field of accounting. This includes outreach to colleges and creating student chapters. He also discussed the focus on Hispanic population outreach.

Mr. Bishop opened the floor for questions, which he answered accordingly.

OHIO CPA FOUNDATION UPDATE

Bob Fay introduced himself and discussed his past work with the Foundation and the Board. He introduced Lori Brown, Director of Partnerships with OSCP.

Mr. Fay moved on to discuss current outreach efforts including student ambassador programs at the college level, scholarships, and sponsorships. He explained that the foundation is also performing outreach to students at the high school level.

He discussed the communities that are underrepresented in the accounting profession and how diversity efforts will be expanded to meet the needs of those communities.

Mr. Fay moved on to the ACAP program and its continued partnership with Ohio State University. He discussed the enrollment numbers from past years and discussed the changes in the program in 2021 due to the COVID-19 pandemic. He discussed the potential for the 2022 ACAP program to be held in person.

He then discussed the leadership camps that the foundation sponsors to help develop leadership skills in CPA students and the enrollment figures of those camps. He made a request for continued support from the Board. He discussed support from various firms, organizations, and companies across the state. He finished his discussion with information about the donations to charitable organizations.

Mr. Fay and Ms. Brown opened for questions from the Board, which they answered accordingly.

Ms. Watts made a recommendation for the Board to continue supporting the Ohio Foundation and ACPA, with a \$50,000 grant, as well as other diversity and inclusion initiatives.

A roll call vote occurred, in the following order: Ms. Durst, Ms. Jackson, Mr. Weinstein, Mr. Fitzgerald, Mr. Blake, Mr. Souice, Ms. Gilmore- these individuals voted yes, and Ms. Watts voted yes. The motion passed, 8-0.

INFORMATION REPORTS AND UPDATES

Investigations

Donna Oklok, Investigations Supervisor, gave an update about open cases and investigations. Ms. Oklok also discussed cease and desist notices that were issued and CPE fines that were levied throughout the year.

The Board asked questions of Ms. Oklok who responded accordingly.

STATUS OF PAST HEARINGS

Jahan Karamali, Assistant Attorney General, reported that there are no open, active appeals.

EXECUTIVE DIRECTOR'S REPORT

Executive Director John Patterson presented the ACAP request. Mr. Fitzgerald introduced a motion to approve the request, which was seconded by Ms. Gilmore. A roll call vote was held, and the motion passed 8-0.

FORMAL HEARINGS

FORMAL HEARING: Michael Marshall (CASE NO: CO2020-12124)

Ms. Watts opened a reinstatement hearing at 10:30 am pursuant to Chapter 4701.17 of the Revised Code. This hearing was requested by Mr. Marshall, and he was in attendance and represented by attorney Jonathan Coughlan.

Ms. Karamali made an opening statement. She also explained that both parties stipulated to notice and jurisdiction before the hearing.

Mr. Coughlan provided an opening statement and called Mr. Marshall as a witness to testify before the Board. Mr. Marshall was then questioned by the Board and answered accordingly.

Ms. Karamali then called Board Investigator Sarah Sarnowski to testify to the accuracy of the records of the Board. Ms. Karamali then introduced State's Exhibits; Exhibit A 1-57 and Exhibit B 1-6 into the record.

The Board asked additional questions of Mr. Marshall.

Mr. Coughlan introduced exhibits into the record.

Mr. Coughlan waived his closing statement.

Ms. Karamali provided a closing argument.

The Board admitted all exhibits into evidence. Ms. Watts concluded the hearing.

FORMAL HEARING: TANVIR KHAN (CASE NO: CO2021-11609)- GOLDMAN

Ms. Watts opened a disciplinary hearing at 11:25 a.m. pursuant to Chapter 119 of the Revised Code and *Godlman v. State Med Bd., 110 Ohio app.3d 124 (10th Dist. 1996)*. The Board charged Mr. Khan with a violation of 4701.16(A)(3) and (4) concerning violation of any of the provisions of section 4701.14 of the Revised Code and violation of a rule of professional conduct promulgated by the board under the authority granted by this chapter, specifically: 4701-11-07 Board Communications.

Ms. Karamali makes an opening statement.

Ms. Karamali called Board Investigator Sarah Sarnowski to testify to the accuracy of the records of the Board. Ms. Karamali introduced State's Exhibits; Exhibit A 1-28.

The Board admitted into evidence all exhibits. Ms. Watts concluded the hearing.

REQUESTS FOR WAIVER

O'DONNELL & ASSOCIATES

Mr. O'Donnell requested a waiver of the \$150 late fee, due to not renewing his firm registration before the renewal deadline.

LOVETT & COMPANY

Mr. Lovett requested a waiver of the \$150 late fee, due to not renewing his firm registration before the renewal deadline

MATTHEW J. KELLAWAY

Mr. Kellaway requested a waiver of the \$385 CPE deficiency fine, due to not completing the required CPE.

ROBERT A. WOLFORD

Mr. Wolford requested a waiver of the \$200 CPE deficiency fine, due to not completing the required CPE.

CORY A. SWAISGOOD

Mr. Swaisgood requested a waiver of the \$34 CPE deficiency fine, due to not completing the required CPE.

SIEBERT & REYNOLDS CPA

Mr. Siebert requested a waiver of the \$150 late fee, due to not renewing his firm registration before the renewal deadline.

MARY L. LABIN

Ms. Labin requested a waiver of the \$150 CPE deficiency fine, due to not completing the required CPE.

QUASI-JUDICIAL DELIBERATIONS

Mr. Weinstein introduced a motion to enter quasi-judicial deliberations to discuss formal hearings, request for waivers of late fees and CPE deficiency fees, and board requests. This motion was seconded by Ms. Jackson. A voice vote was held, and the motion passed 8-0. After discussion, the Board returned to general session.

HEARING DECISIONS

MICHAEL MARSHALL (CO2020-12124)

Upon the motion by Mr. Fitzgerald and seconded by Mr. Weinstein, the Board voted to reinstate Mr. Marshall's Ohio CPA permit following the completion of the following conditions: completion of a 3 credit Board approved Professional Standards and Responsibilities (PSR) course and payment of a \$1,000 fine.

Motion carried 8-0 on a roll call vote.

TANVIR KHAN (CO2021-11609)- GOLDMAN

Upon the motion by Mr. Fitzgerald and seconded by Mr. Weinstein, the Board voted to revoke the CPA permit of Mr. Khan.

Motion carried 8-0 on a roll call vote.

CPE DEFICIENCY FEE WAIVER REQUESTS

Upon the motion by Mr. Fitzgerald and seconded by Mr. Weinstein, the Board voted to deny the requests for waiver for Mssrs. O'Donnell, Lovett, Kellaway, Wolford, Swaisgood and Ms. Labin.

Motion carried 8-0 on a roll call vote.

Upon the motion by Mr. Fitzgerald and seconded by Mr. Weinstein, the Board voted to deny the request for waiver for Mr. Siebert.

Motion carried 7-0 on a roll call vote with one abstention.

NEW BUSINESS

RULES UPDATE

Ms. Oklok presented the drafts of three rules before the Board for their review. The Board asked questions of Ms. Oklok, who answered.

Mr. Blake introduced a motion, seconded by Mr. Weinstein, to present rule 4701-13-02 to stakeholders for their input. A voice vote was held, and the motion passed 8-0.

Mr. Weinstein introduced a motion, seconded by Mr. Blake, to present rules 4701-7-11 and 4701-3-03 to stakeholders for their input. A voice vote was held, and the motion passed 8-0.

APPROVAL OF OCTOBER 15, 2021 BOARD MEETING MINUTES

Mr. Blake introduced a motion to approve the meeting minutes from the Board's October 15, 2021, meeting. Mr. Weinstein seconded this motion. A voice vote was held, and the motion passed 7-0 with one abstention.

CHAIRS REPORT

Ms. Watts provided the Chair's report. She discussed the potential in-person NASBA meetings for 2022. She presented a distinguished service award to Ms. Gilmore. Ms. Gilmore addressed the Board and guests and spoke about her experience with the Board.

Mr. Weinstein presented Ms. Watts with a distinguished service award. Ms. Watts addressed the Board and guests and spoke about her experience with the Board.

PASSING OF THE GAVEL

Ms. Watts passed the gavel to Mr. Weinstein, who will become Board Chair in 2022. Mr. Weinstein addressed the Board and guests. Mr. Fitzgerald moved into the Vice Chair position, and Mr. Blake moved into the Secretary position.

BOARD REQUESTS

The Board requested that Board staff inform any appropriate agencies in Canada regarding the decision made to revoke Mr. Khan's Ohio CPA permit.

ADJOURNMENT

Ms. Watts asked if there were any additional information requests or questions of the Board. Noting that there were no other comments and upon the motion by Ms. Watts and seconded by Mr. Weinstein, the Board voted to adjourn at 12:43 pm.

Motion carried 8-0.

Kenya Y. Watts, Chair

Brendan P. Fitzgerald, Secretary